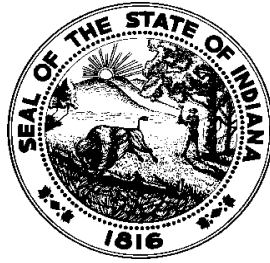


LOCAL GOVERNMENT TAX CONTROL BOARD



RECOMMENDATIONS
TO THE
DEPARTMENT OF LOCAL GOVERNMENT FINANCE
FROM
NOVEMBER 22, 2005

Call to Order

David Christian called the November 22nd 2005 Local Government Tax Control Board meeting to order at 9:00 am. Board members present were Dan Jones, Stan Mettler, David Christian, Ken Kobe, Lisa Decker and John Stafford. Judy Robertson was the administrative officer for the meeting.

Discussion

Judy updated the board members on the units that had withdrawn from the agenda.

Recommendation

Ken motioned to recommend approval of the minutes from the October 13th local government tax control board meeting. Lisa seconded and the motion carried 5-0-1. John abstained. Ken motioned to recommend approval of the minutes from the October 27th local government tax control board meeting. Dan seconded and the motion carried 5-0-1. John abstained.

City of Beech Grove, Marion County General Obligation Bonds

The unit is requesting approval to issue bonds in the amount of \$995,000 for a term of five and a half (5 ½) years. Proceeds of the bonds will be to repair, replace and acquire public safety and related municipal equipment. The estimated tax rate is .0474 based on an assessed value of \$464,675,513 and an annual levy of \$220,096. The total project cost is \$995,000 with maximum annual debt repayment of \$239,905. This is an uncontrolled project because total cost is less than \$2 million and the Common Construction Wage is not applicable.

Taxpayer Objections:

A resolution was adopted on November 2nd 2005. The Remonstrance Period will not begin until the Notice of Sale of Bonds is published.

Attendance

The following people attended the meeting: Jeff Peters (Financial Advisor), Dennis B. Buckley (Fire Chief), Tricia Leminger (Deputy City Attorney), Chris Millott (Chief of Police), and Kirk E. Grable (Bond Counsel with Barnes & Thornburg).

Discussion

We have had some public meetings for the presentation including the financing. One taxpayer did speak up with an alternative to financing they he wanted us to explore, which was raising sewer fees.

Chief: We need to purchase body armor for all the police officers, plus technical armor. Kevlar, which is what the armor is made of, has a life expectancy of five years. It will cost \$35,000 to

replace all the body armor. We need to replace a vehicle that has excessive miles, getting old and has a lot of hours. The car is six-years old. Normally, we would replace our vehicles every three years because of safety problems.

Questions from Board Members:

Dave: How many police cars do you have?

Police Chief: We have thirty and we need to replace eighteen of them. The mileage is between 80,000 and 100,000.

Fire Chief: We need to replace our SBA breathing apparatuses that were originally purchased in 1998. They are beginning to fail and break down. We have thirty-three sets of turn-out gear, that includes coats and pants) that are six years old. They should have been replaced last year. The suits are breaking down because of contamination. The longer the firefighters wear them, the more of a safety hazard they become.

Dave: How many sets of apparatus gear?

Fire Chief: We have thirty and we are asking to replace twenty-four of them.

Dave: How many SBA's and how many extra tanks?

Fire Chief: We are asking for complete SBA's plus the tanks – twenty-four air packs plus twenty-six sets of gear and six extra tanks plus two digital thermal cameras. For safety reasons, we need to replace an ambulance purchased in 2000. It has 5800 emergency medical runs and 4000 fire runs. We spent \$4,000 in maintenance costs in the last few months. We spent \$6,000 last year. We will put this ambulance in reserve and use it for another four years. Another request is for three new heart monitors. The standard has been monitors with three leads. The current ones have twelve leads and we want to upgrade to these models. The cost will be between \$24,000 - \$26,000. There is one other item. In 1997 we issued bonds to purchase a \$263,000 fire truck. It has bad corrosion and metal problems. We need to have it repaired and repainted.

Jeff: They issued similar bonds in 1997 and 2002. The city has a self-imposed tax rate. They are showing good stewardship by not imposing all of the taxes available to them. This tax rate will go on the books in 2007.

Ken: Are you retiring debt in 2006?

Jeff: Yes, they are paying the debt from the general fund.

Dan: Why do you not have a current debt rate?

Jeff: They are paying from the general fund tax rate.

Dan: Why is there no rate for the CCD fund – could you have used that to purchase the vehicle?

Jeff: They held the 2005 tax rate to what it had been in 2004.

Dan: You plan to have a debt service rate in 2007?

Jeff: Yes.

Dan: If the life expectancy for some of these items is 3 ½ years, why are you requesting a term of five years?

Jeff: We are trying to play catch-up. We would like to replace equipment every three years, but actually it has been every six years.

John: What had the CCD rate been before it was zeroed out.

Jeff: It was at the maximum rate.

Lisa: What was the council's vote – was it unanimous?

Jeff: Yes.

Kirk: The federal tax law says that the weighted average useful life of bonds cannot exceed 120% of the useful life. The weighted average useful life of this equipment is greater than 3 ½ years; we will issue the bonds within the guidelines of federal tax law.

Dave: We would like to request a detailed equipment list and not just a summary. What is the trend in the criminal rate?

Police Chief: Steady, but more volatile. There is more domestic violence and with hostage situations. We have to prepare for the worst-case scenario. Officer safety continues to be a problem and a concern.

Recommendation

John motioned to recommend approval of general obligation bonds in the amount of \$995,000 for a term of five and a half (5 ½). Lisa seconded and the motion carried 5-0-1, with Ken abstaining.

Muncie Sanitary District, Delaware County Sanitary District Bonds

The unit is requesting approval to issue bonds in the amount of \$17,960,000 for a term of twenty-one (21) years. Proceeds of the bonds will be used to fund wastewater treatment plant improvements. Total project cost is \$17,960,000. The unit expects to use net revenues of the sewage works of the District to make the debt payments. The estimated tax rate, should sewage works revenues become insufficient, is .0545 based on an assessed value of \$2,128,337,116 and an annual levy of \$1,159,838. This is an uncontrolled project because the unit is requesting property tax backup consideration only. The Common Construction Wage is not applicable because the bonds will be sold to the Indiana State Revolving Fund Program, which means the Unit must follow federal requirements for setting wages.

Taxpayer Objections:

No information received. No resolution submitted approving issuance of bonds.

Attendance

The following people attended the meeting: Barb Smith (Superintendent), Bill Bruns (Attorney), Lisa A. Lee (Bond Counsel with Ice Miller), David Frederick (Financial Advisor with H.J. Umbaugh), and Jesse Nelson (Financial Advisor with H.J. Umbaugh).

Discussion

Bill: The purpose of the funding is for improvements to the sewer and water treatment plant. The board consists of three persons that operates' the District. The Notice of Determination was published October 25th. There is a public hearing tonight on the proprietary resolution. If you will refer to the handout we gave you, Barb will go over the project in detail.

Barb: The blue is phase one, which is completed and phase two is in orange, which is what this bond issue is for. (She went over the plans in detail). We have gotten the most out of the equipment – some has been there since 1932.

Questions from Board Members:

Dave: Looking at your financial worksheet, this is a property tax back-up, going to be paid 100% from sewer usage fees?

Bill: Yes, we are asking for the back-up in order to get a better rating on the bonds.

Lisa: What does normalized interest mean?

David: To adjust for the rate increase. The District will increase user fees. It will cost sixty cents per 100 cubic feet of line so that no tax rate is needed. It will be phased in over a three-year period. The maximum increase will be \$4.00 by the third year.

John: Has the resolution been approved for the rate ordinance?

David: It is scheduled for a later time.

Lisa Lee: It is scheduled for December 6th.

Dave: Are you in compliance with IDEM?

Bill: Yes, that is why we are doing this, to stay in compliance. Phase 1 started in 2000 – this is an on-going project.

James: Will all three phases of the rate increase be decided on December 6th?

Lisa Lee: Yes.

Dave: Were there any objections?

Lisa Lee: No, we will be able to get the Auditor's Certificate later on today or tomorrow.

Dave: Will you need to increase payroll or manpower?

Barb: No, we will operate with the same staff.

Dan: What kind of interest rate do you expect to get?

Lisa: It is currently 2.97% if we close by December 31st.

Dan: You have a 28.65% rate on the general fund – is that for the Sanitary District?

Answer: Yes and for trash pick-up, the engineering department.

Dan: Does the District raise taxes?

Answer: Only for two departments in the District, trash department and engineering.

Dan: \$1.2 million seems to be a high contingency amount.

Answer: The construction contingency is ten percent of the construction contract, and that is normal.

Lisa Lee: The state revolving fund (SRF) will only allow us to draw down on the amount the bids come in for.

Dan: What is “non-point source”?

Answer: Non-point source is a site of contamination outside of the sewage or water treatment plant. One tank was leaking and there is possible contamination. It will possibly be very expensive to clean up. The SRF will pay for one half of the clean up and soil remediation. We also found a diesel fuel tank that was buried in 1938.

Dave: Are you under any violation with IDEM?

Barb: Remediation only, we have not received a violation notice. We have some sewage overflow issues.

Ken: What are some of the other contingencies?

Lisa: Contingencies for site work, engineering, and non-financing costs.

Ken: Why are those costs not included up above in the other contingency amount?

Engineer: It is a contingency separate from the construction contingency.

John: Thirteen to fourteen percent seems high.

Bill: With a sewer project, this is standard.

Lisa: It is for value engineering.

Barb: It has been a three-year process and we are using in-house engineering. We did not hire a contractor to do the work for us.

Dave: How much capacity do you have now and what will the capacity be after?

Barb: The capacity will be the same, which is up to 30,000,000 gallons, but it will be better. We can only bring in 24,000,000 at a time right now because of the treatment head. On a rainy day, we can handle 30,000,000.

Lisa: There will not be an increase in capacity?

Barb: Not at this time.

Lisa: What is your permit for and are you at capacity?

Barb: Our permit is for 24 and the daily average is 16.

Ken: If we approve this for \$195,000 less because of the contingency, there would be no harm?
Lisa Lee: Under the SRF program, the draw down can only be the amount of the bid. We cannot issue excess bonds.

Dan: What is the total rate for the District?

David: I don't have that number with me.

Dan: The estimate if for a five and a half cents levy if taxes are needed?

David: Yes.

Dan: Is the outstanding debt a property-tax back-up also?

David: Yes.

Dan: Are these bonds insured?

Lisa Lee: We are going through the SRF program and it is not necessary.

Recommendation

Ken motioned to recommend approval of sanitary district bond in the amount of \$17,960,000 for twenty-one (21) years. Lisa seconded and the motion carried 6-0.

Ken asked if he could amend the motion to add that the Commissioner review administration costs to see if the amount could be reduced.

Dan asked to amend the motion to include that the approval be subject to the receipt of the Auditor's Certificate of No Remonstrance.

John asked to amend the motion to also be subject to the rate ordinance.

Town of Yorktown, Delaware County Excessive Levy Appeal(s)

The unit requested an annexation appeal in the amount of \$719,000.

Appeal History: None

2006 Max Levy \$ 896,018

Total Max Levy with Appeal \$1,615,018

Advertised Appeal Amount \$1,665,000

Unit's 2006 Advertised Levy \$2,441,840

Maximum appeal unit can qualify for is \$719,000

Attendance

The following people attended the meeting: Paige Gregory (Financial Advisor with H.J. Umbaugh), Beth Neff (Clerk Treasurer), Karen Pilkington (Town Council member), Mike Beeman (Town Council member), and Timothy Kelty (Town Manager).

Discussion

The request today includes one 2200-acre annexation. It was an involuntary annexation, but they held three public meetings and had 60% in support from the public. It is mostly a residential area, but with some commercial areas. The annexation has increased their current assessed value by 60%, and will increase even more with more development. Their population in 2000 was 4,785 and there is already 2,300 in the annexed area. The majority of the increased costs are in police protection and street maintenance. In 2003 they hired two additional street personnel and one police officer in 2005 to cover the annexed area. The Town felt it was necessary to hire the additional staff in order to complete their training and to prepare them for when needed. The annexation almost doubled their street miles, from twenty-five miles, plus twenty-two miles.

What we asked for is not what we really needed. The actual need is:

Personnel	\$447,000 for 3 police officers and 4 street maintenance staff
Supplies	\$ 35,000
Other	\$150,000 for pot-hole repair, snow removal, leaf pick-up, etc
Capital Outlay	\$ 87,000 for 2 police cars and 5 large street machines; the actual costs of all the street equipment is \$314,000, which amortizes out to \$87,000 per year.
Total	\$719,000

Questions from Board Members:

Dave: You say the annexation was 2200 acres?

Paige: It includes six existing sub-divisions, a golf course and two major roads. All together, the area is probably 40-45% currently developed, mostly residential. About 60% is still undeveloped, but planned. Two sub-divisions have started and one is in an expansion phase.

John: The capital outlay amount is the annual lease payment costs?

Answer: Yes, amortized over five years.

Paige: They have established an equipment replacement plan.

Paige: The impact of this appeal is a 12% increase in the levy and 3.9% increase in the rate and a 6% increase in assessed value. This amounts to a six cent per \$100 increase, or about \$24 annually. This impact is based on current assessed value; if the assessed value grows more in the annexed area, then the rate would decrease even more.

John: If only 80% of the development materializes, what would be the assessed value in 2007?

Paige: We are averaging fifty to eighty homes per year; the current average assessed value per home is \$250,000, so that would be an increase of about \$250 million, not including commercial value.

Answer: We have the lowest tax rate in Delaware County. The goal of the council is to continue with this plan.

John: The fiscal plan shows \$540,000 in tax revenue and you are asking for an increase via this appeal of \$719,000?

Paige: All the personnel services were not accounted for. The fiscal plans were prepared one to two years ago and they did not realize the full costs involved when preparing those fiscal plans.

Ken: Who provides fire protection services?

Answer: We have a joint agreement between the town and the township; it is a gentlemen's agreement. We realize we need to allocate some to the township's debt for the fire station. Because of the annexation, we took assessed value away from the township. We did increase our 2006 budget for fire protection services by 25%.

Dan: What other revenue do you have estimates for?

Answer: There may be a delay in MVH and LRS revenue because of timing; also cigarette tax and ABC tax. We did not account for any increases in those revenues.

Dan: Do you have parking meters?

Paige: They do have trash pick-up fees that will increase.

Answer: COIT funds will also increase.

Dan: Page three of the appeal worksheet has an appeal of \$719,000, but pages 18 & 19 of the fiscal plans only comes up to \$513,000.

Paige: That is the same that John was asking me about earlier.

Dan: The assessed value is fifteen percent less, when actually it increased by two percent.

Paige: The DLGF field representative recommended using the lower assessed value because the annexation numbers weren't known yet.

Dan: The general fund levy went up by 66%.

Paige: The 16-line statements are always inflated because of advertising purposes and unknown assessed values numbers at the time of preparation. The actual rates, once the DLGF cuts the budget back, will be level.

Dan: What is your total rate for 2005?

Paige: About forty-six cents; we estimate the 2006 rate will be fifty-two cents.

Dan: I am still concerned about not accounting for additional revenues, yet claiming additional expenses.

Answer: It takes two to three years before miscellaneous revenues come in based on population. The only imminent increase might be in COIT. COIT has actually decreased over the last two to three years.

Dan: COIT is \$29,000 more for 2006 than you estimated.

Recommendation

Dan motioned to recommend approval of an annexation excessive levy appeal in the amount of \$719,000 minus the increased amount of COIT in the amount of \$29,000 and by the 8% increase in miscellaneous revenue of \$93,711 for a total of \$625,289. No one seconded and the motion failed.

Ken motioned to recommend an annexation excessive levy appeal in the amount of \$719,000. John seconded and the motion carried 4-2 with Dan and Stan opposed.

**Loogootee Public Library, Martin County
Public Works Project Loan**

The unit is requesting approval to obtain a loan in the amount of \$55,000 for a term of six (6) years for the purpose of renovating an existing building for use as a library. The total project cost is estimated to be \$164,400 with annual debt payments not to exceed \$11,000. The estimated tax rate is .0187 based on an assessed value of \$58,800,000 and an annual levy of \$11,000. This is an uncontrolled project. The Common Construction Wage is not applicable.

Taxpayer Objections:

The date of publication for a public hearing was September 21st and 22nd 2005. A public hearing was held and a resolution adopted on October 3rd 2005. The Notice of Determination was published October 5th and 6th 2005. The Auditor certified No Remonstrance on November 7th 2005.

Attendance

The following people attended the meeting: Stephanie McAtee (Library Board President) and J.D. Faris (Library Board Treasurer).

Discussion

Basically, we need \$55,000 to augment our LIRF funds to used to move into our new library building. Construction costs were 25% more than our loan. This loan would have a two cent tax rate impact which equates to about \$10 for a home valued at \$50,000. Our purpose is to help the City improve the library. In 1955, a house was donated to use as a library. We are now over-crowded with no private areas. The porch was enclosed for additional space to use for a computer lab, but it was not sufficient to meet the needs of the community. We constructed and moved into a new library, but the operating expenses are more than we expected.

Questions from Board Members:

Dave: Was this appeal unanimously approved by your board?

Answer: Yes, the members that were there.

Stan: How much larger is this new building?

Answer: We went from 1100 square feet to about 1900 square feet; this building has more open space.

Stan: The information worksheet shows 2900 square feet on page four. Have you increased that much and is your operating fund not enough to cover the expenses?

Answer: Yes, we have increased our budget to account for that. The building was completely remodeled three years ago with new mechanical systems. It is in very good condition.

Recommendation

Dan motioned to recommend approval of a public works project loan in the amount of \$55,000 for a term of six (6) years. Ken seconded and the motion carried 6-0.

Vincennes Township Fire District, Knox County Fire Equipment and Building Loan

The unit is requesting approval to obtain a loan in the amount of \$394,000 for a term of five (5) years for the purpose of purchasing a pumper tanker and equipping it. The total cost is estimated to be \$394,000 with annual debt payments not to exceed \$90,256. The estimated tax rate is .0269 based on an assessed value of \$291,539,625 and an annual levy of \$78,483. This is an uncontrolled project. The Common Construction Wage is not applicable.

Taxpayer Objections:

The date of publication for a public hearing was September 23rd and 30th 2005. A public hearing was held and a resolution adopted on October 10th 2005. The Notice of Determination was published October 14th and 21st 2005. The Auditor certified No Remonstrance on November 7th 2005 – this Certificate is not timely.

Attendance

The following people attended the meeting: Jeff Peters (Financial Advisor) and Timothy Smith (Fire Chief).

Discussion

Jeff: We were here previously in 2000 and 2003 for equipment loans. It is the way that we choose to replace equipment as needed. The tax rate impact is less than half a cent because of current debt being retired; this loan will take its' place.

Timothy: We have a combination fire department with eighty-five volunteers and eight career firefighters. In 1978 we purchased a pumper tanker that has now served its' useful life. The routine maintenance is no longer possible because of the age of the truck. It is an old six-speed manual transmission. There are very few people that can actually drive the truck. Most of the loose equipment came with the truck, so we need to replace that as well. We would also like to purchase new training equipment, including a fire simulator. The only training new recruits receive is from an actual fire. We hope to provide better and safer training for new firefighters.

Questions from Board Members:

Dan: How many banks did you contact?

Timothy: Two.

Recommendation

John motioned to recommend approval of a fire equipment loan in the amount of \$394,000. Stan seconded and the motion carried 6-0.

Lawrenceburg Public Library, Dearborn County General Obligation Bonds

The unit is requesting approval to issue bonds in the amount of \$5,000,000 for a term of ten (10) years to provide for the renovation of and addition to the Main Library, including the renovation of the former Lawrenceburg Train Depot. The total project cost is \$5,500,000 with maximum annual debt payments not to exceed \$714,400. The estimated tax rate is .0430 based on an assessed value of \$1,625,553,460 and an annual levy of \$698,600. This is a controlled project and the Common Construction Wage is applicable; the hearing was held October 25th 2005 and passed with a 4-0 vote.

Taxpayer Objections:

The date of publication for a public hearing was September 13th and 15th 2005. A public hearing was held and a resolution was adopted on September 27th 2005. The Notice of Determination was published October 4th and 6th 2005. The Auditor Certificate of No Remonstrance has not been received.

Attendance

The following people attended the meeting: Jane Herndon (Bond Counsel with Ice Miller), Jim Boots, Courtney Schaafsma (Financial Advisor with Crowe Chizek), Andrew Holloway (Financial Advisor with Crowe Chizek), Marsha Ford (President of the Board of Trustees), Sally Stegner (Library Director), and Todd Thackery (Architect).

Discussion

Sally: I would like to share with you some important information. I do not think a property tax will be necessary. We have a revenue sharing agreement with the City of Lawrenceburg and we are going to use their gaming revenue to pay the debt for the next ten years. The project has been in the making for the last ten years. The area was redistributed ten years ago and we were given five more townships to serve. The impetus to go forward with the project came from the community. They keep asking us when we are going to expand. We sent out fifteen RFP's for the design. We then narrowed them down to five, and then chose one. The first thing they did was to form focus groups.

The HVAC was installed in 1957 is very inefficient and we have high maintenance costs. We need a place for teenagers, a place for tutoring, and we have only one public meeting room, which is always in demand. There are four to five meetings per day. The staff area is crowded with three people sharing a desk. We have a large volunteer base; we actually have more

volunteers than staff. We are renting an off-site garage space for the bookmobile. It is inconvenient, and we need a place to stock the bookmobile that is out of the weather.

Questions from Board Members:

Dave: How big of an addition do you need?

Answer: 18,000 square feet, we have acquired an old railroad depot and we will incorporate that into shelving and meeting space.

Stan: Are all the inter-local agreements in place for the revenue sharing?

Answer: Yes.

Dave: You have listed here \$600,000 in construction costs – are you using the same company?

Answer: No, we have an architect and a construction manager (Skilman). The project will be competitively bid and we will have a general manager to oversee the project for us.

Stan: What is your monthly average circulation?

Answer: About 15,000 items.

Stan: Will you need to hire more staff?

Answer: No, we would like to, but there is no place to put them. We have looked into re-designing, but it has not been possible.

Stan: Will the new HVAC system offset the increased costs of the current system?

Answer: Yes, we hope so. One month last year we paid \$16,000 in repair costs.

Ken: \$156 per square foot seems high for new construction and so does the \$132 per square foot for renovating the depot.

Answer: We need to keep the interior consistent. \$132 per foot is the total cost, not just for construction. The total renovation cost is \$300,000 for the depot. That is a little high, but the others are a little lower. We have experienced extraordinary high maintenance costs. The competitive bid and multiple primes should bring the costs down. \$16,700 includes the 1500 square feet of the depot and the 1700 square foot library addition.

Jane: Historically, libraries do cost more because of the special needs they have to store books.

Answer: Another problem with this site is the soil is poor and there may be a need to adjust the foundation.

Stan: Do you have a guaranteed energy savings contract?

Answer: No.

Dan: Under what circumstances would you need a debt service rate?

Answer: If the riverboat went away and that revenue was no longer available.

Dan: Do you have a debt service reserve in place – what amount would that be?

Answer: Yes, we do – that is included in the costs.

Dan: Will these bonds be insured?

Answer: Yes.

Ken: Why defer the first payment until 2008?

Answer: It is a timing issue – we will not get a tax rate and the first payment will not be due until 2008.

Dave: Do you service Lawrenceburg?

Answer: Yes, along with seven townships, two towns, Lawrenceburg School system and Sunman-Dearborn school system. We service a population of 29,000, which is over half of the county. We do have reciprocal agreements in place with other library systems in the county.

Ken: Who appoints your board?

Answer: The council appoints two, the commissioners appoint two and the schools appoint three.

Ken: Does the council need to vote on this?

Answer: Yes, because of the inter-local agreements – the vote was unanimous.

Recommendation

Ken motioned to recommend approval of general obligation bonds in the amount of \$5,000,000 for a term of ten (10) years. Lisa seconded and the motion carried 6-0.

Wabash County Unit, Wabash County Excessive Levy Appeal(s)

The unit requested a police pension payments appeal in the amount of \$0. The unit qualifies for \$0 per statutory formula.

The unit is also requesting a shortfall for the pay 2003 year in the amount of \$60,922. The unit qualifies for \$45,282.

Funds	Certified Levy	Actual Collections	Difference
General	\$3,079,586	\$3,042,829	\$36,757
Reassessment	\$91,738	\$90,643	\$1,095
Cum. Bridge	\$333,081	\$329,105	\$3,976
Health	\$134,079	\$132,479	\$1,600
CCD	\$155,250	\$153,396	\$1,854
Total Levy	\$3,793,734	\$3,748,452	\$45,282
Refunds	\$17,740		
Errors	\$534,733		
Total Refunds and Errors	\$552,473		
Wabash County's portion	\$56,518		

Appeal History:	2003	Reallocation of PTRC	\$238,127
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2006 Max Levy \$3,645,332
Total Max Levy with Appeal \$3,706,324
Advertised Appeal Amount \$ 200,000
Unit's 2006 Advertised Levy \$7,578,872

Maximum appeal unit can qualify for is \$45,282

Attendance

The following people attended the meeting: Jane E. Ridgeway (Auditor).

Discussion

I am here with the full support of the council behind me. Our police pension costs have gone up – they have doubled since 2003. We borrowed from the State in order to meet our obligations. We asked for a shortfall last year, but failed to advertise for it, and so were denied.

Questions from Board Members:

John: Has the state asked for any of the police pension funds back?

Answer: No.

Stan: The Notice from the DLGF for an excess levy, did they reduce your max levy in 2004 because of it?

Answer: I am not sure. I'm sure we were cut back.

Dan: What is your projected fund balance in the general fund?

Answer: Less than \$200,000 and declining. We are looking into updating all of our computer systems. We are still working on the 1980 ATEC system. We are out of compliance with the DLGF on the eighteen-digit parcel number tracking system. We are still using Legacy.

Dan: Are your distributive share certified to you favorable?

Answer: This is my first year and I can't agree with your numbers. I can only look at one year at a time with the computer system we have.

Dan: Did your board decrease the proposed budget and levy?

Answer: I know they did the budget, but not the levy and rate; just as an effort to get it below the maximum levy allowed.

Dan: From your estimate of CAGIT, you used \$1,370,000, but the distributive shares have been certified at \$1,742,000, an increase of over \$350,000.

Answer: When preparing the budget, we did not know what the certified shares would be and we were told by our field rep to use 85% of last year's amount.

Recommendation

Stan motioned to recommend approval of a shortfall excessive levy appeal in the amount of \$56,518, the unit's portion of refunds and errors. Ken seconded and the motion carried 6-0.

Green Township, Noble County Excessive Levy Appeal(s)

The unit requested a three-year growth appeal in the amount of \$500. The unit qualifies for \$269 Civil and \$241 Fire per statutory formula. (Can approve $\$259 + \$241 = \$500$).

The unit is also requesting a contract with a municipality appeal in the amount of \$27,500. The unit qualifies for \$12,957 per statutory formula.

Appeal History:	2000	Reallocation of PTRC	\$1,043
		Township Assistance	\$3,767

	Civil	Fire
2006 Max Levy	\$18,638	\$15,879
Total Max Levy with Appeal	\$18,897	\$29,077
Advertised Appeal Amount	\$ 500	\$27,500
Unit's 2006 Advertised Levy	\$19,000	\$43,900

Maximum appeal unit can qualify for is	\$259 Civil	\$13,198 Fire
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Attendance

The following people attended the meeting: Mel A. Egolf (Trustee).

Discussion

Our problem, not to over simplify, is the contract we have with the Town of Albion. A decrease in the non-farm values has caused us to not have enough assessed value to cover the contract amount. We have had to cut township assistance and the park funds to remain under the levy. There have been no remonstrators. Over 25% of the northern half of the township is a state park. We receive no funds to provide fire protection to the state park. The Board is very conservative. We do not charge the township for travel money and we have the same salary as we received five years ago. We have not signed a 2006 contract yet, we are waiting for the outcome of this appeal request before we sign the contract.

Recommendation

John motioned to recommend approval of a three-year growth excessive levy appeal in the amount of \$259 Civil and \$241 Fire and a fire contract with a municipality appeal in the amount of \$12,957. Lisa seconded and the motion carried 6-0.

**Owen Township, Warrick County
Emergency Fire Loan**

The unit is requesting approval to obtain a loan in the amount of \$10,000 for a term of one (1) year for the purpose of covering fire protection expenses. The estimated tax rate is .0420 based on an assessed value of \$17,931,010 and an annual levy of \$7,526 (The unit completed the tax rate calculation incorrectly).

The unit qualifies per emergency loan calculation of (the unit completed their calculation incorrectly):

Cash Balance	\$ 464
Tax Levy	\$10,113
Misc. Rev.	\$ 1,729
Total Funds Available	\$12,306
Encumbered Appropriations	\$ 3,000
Certified Budget	\$ 7,930
Funds Remaining	\$ 1,376

The only way the unit qualifies is if their current year expenditures are \$1,376 more than the approved budget. The unit reports that their expected expenditures are \$25,000, which means that they would qualify for \$15,694.

Taxpayer Objections:

The date of publication for a public hearing was July 7th 2005. A public hearing was held and a resolution was adopted on July 25th 2005. The Notice of Determination was published August 11th 2005. The Auditor certified No Remonstrance on September 16th 2005.

Attendance

The following people attended the meeting: Raleigh Bruner (Trustee).

Discussion

We have run into problems with the fire budget. The rate has been reduced. We are asking for a \$10,000 loan. The levy decreased to \$7,900 - we cannot run the department on that.

Questions from Board Members:

John: Do you have a contract with the volunteer fire department?

Raleigh: Yes; we have always been conservative. Alcoa gave us a truck last year.

Recommendation

Stan motioned to recommend approval of an emergency fire loan in the amount of \$10,000. Ken seconded and the motion carried 6-0.

**City of Gary, Lake County
Excessive Levy Appeal(s)**

The unit requested the following appeals:

Appeal	Amount	Qualifies for:
Police Pension Costs	\$1,500,000	\$0
Fire Pension Costs	\$1,400,000	\$0
2004 Shortfall	\$3,000,000	\$3,000,000

The unit filed their petition after the September 19th 2005 deadline; because of this, we can not consider the police and fire pension costs appeals. The only appeal that can be considered is for the shortfall.

Appeal History: None

2006 Max Levy	\$61,960,444
Total Max Levy with Appeal	\$64,960,444
Advertised Appeal Amount	\$3,000,000
Unit's 2006 Advertised Levy	\$67,132,247

Maximum appeal unit can qualify for is \$3,000,000

Attendance

The following people attended the meeting: Husain Mahmoud (City Controller).

Discussion

Dave: I understand that you filed your appeal one day late, so you do not qualify for the Police and Fire pension appeals. Do you agree with this?

Husain: I did not know this. I thought the deadline was September 20th. The police and fire pension appeals are actually via the DROP program. The USC settlement was not put into an excessive levy fund but into a holding account to reduce the 2005 pay 2006 budget. \$22 million will be used for the 2006 budget and that is why we chose to apply for a shortfall for the 2004 year.

Recommendation

John motioned to recommend approval of a shortfall excessive levy appeal in the amount of \$3,000,000. Stan seconded and the motion carried 6-0.

**Calumet Township, Lake County
Excessive Levy Appeal(s)**

The unit requested a township assistance appeal in the amount of \$15,012,132. The unit qualifies for \$0 per statutory formula because they already exceed the limit of .0167.

2006 Max Levy \$
Total Max Levy with Appeal \$
Advertised Appeal Amount \$
Unit's 2006 Advertised Levy \$

Maximum appeal unit can qualify for is \$0

Attendance

The following people attended the meeting: Donna Frazier (Chief Deputy), Mary Elgin (Trustee), and Curtis Whitaker (Financial Advisor).

Discussion

Curtis: We are asking for an increase in the levy and spending authority. We were able to reduce our budget by \$4 million last year. We were the only unit to reduce our budget by that amount. We are not seeking to do an emergency loan this year, nor do we want to do one for 2006. We supplemented our budget by doing temporary loans – the poor relief budget always exceeds the levy. \$18.9 million is budgeted for next year.

One of the cycles is to do emergency loans every year. This year, because of the way we managed the fund, we did not have to borrow. If the increase is not granted, then we will need to seek additional funding. Our plea would be that you approve the appeal in order to stop the cycle of borrowing; we would rather have a levy increase. This would also save our taxpayers borrowing costs and interest, which just adds to the burden on the taxpayers.

Questions from Board Members:

John: There was nothing the legislation did to exempt Lake County from this rate cap?

Curtis: No.

John: In 2005 did you receive more than two tax distributions?

Curtis: We received two for the pay 2004 year. They are telling us that pay 2005 is due December 30th. We borrowed from the Indiana Bond Bank in anticipation of that settlement.

Ken: Does the township have thoroughfare grants?

Curtis: No, not that I am aware of.

Dan: The appeal amount is for \$15 million, but your worksheet says \$14 million – how much are you asking for?

Curtis: We would fall short about \$4 million. The DLGF will fund the rest.

Dan: Do you have a fire department you fund out of the general fund?

Curtis: No.

Recommendation

Ken motioned to recommend denial of an excessive levy appeal. Lisa seconded and the motion carried 6-0.

City of Hammond, Lake County Judgment Funding Bonds

The unit is requesting approval to issue bonds in the amount of \$3,115,000 for a term of eleven (11) years for the purpose of financing the costs of the payment of two judgments entered against the City: 1) The Potter Judgment \$1,995,000, and 2) The Kikalos Judgment \$1,120,000. The total project cost is \$3,115,000 debt payments estimated to be \$448,400. The estimated tax rate is .0183 based on an assessed value of \$2,314,037,855 and an annual levy of \$422,4490. This is an uncontrolled project because the unit has been ordered to pay the judgments. The common construction wage is not applicable.

Taxpayer Objections:

No information available.

Attendance

The following people attended the meeting: Tom Froehle (Bond Counsel), Scott Peck (Bond Counsel), Edward Krusa (Consultant), Karl Cender (Financial Advisor), and Susan Gray (Financial Advisor).

Discussion

Ed: Clayton Potter is in the Lake George area. We reached a settlement of \$1.9 million that was initiated by three separate lawsuits. The finding was the City had denied him use of his property and that the city had not treated him very well. Two years ago we reached an agreement that has just been approved by the courts. We will pay \$500,000 to buy the property and \$1.4 million to settle the agreement. The Kikalos judgment is a \$950,000 settlement. We re-zoned the property and the Council took action that was later judged unconstitutional. Two years ago, we entered into an agreed settlement. There has been a moratorium put on the property – no alcohol is to be allowed on the property till 2008, and will be amended to perpetuity.

Questions from Board Members:

Stan: When were the judgments finalized?

Ed: The interest will accrue in 2006. If settlement is not made by February 1st and 15th, then the interest would be retro-active.

Dan: Why not do a bank loan, it would be cheaper, and why a term of ten years?

Ed: Is term is for ten years to keep the tax impact as low as possible. Our experience is that you incur the same amount of costs no matter which option you take because of what the bank requires. A bond receives a little bit better interest rate.

Recommendation

Ken motioned to recommend approval of judgment funding bonds in the amount of \$3,115.000 for a term of eleven (11) years. Lisa seconded and the motion carried 6-0.

Gary Storm Water Management District, Lake County Excessive Levy Appeal(s)

The unit requested a 2004 shortfall appeal in the amount of \$49,299. The unit qualifies for \$49,299 per statutory formula.

2006 Max Levy	\$1,056,594
Total Max Levy with Appeal	\$1,105,893
Advertised Appeal Amount	\$ 49,299
Unit's 2006 Advertised Levy	\$1,220,000

Maximum appeal unit can qualify for is \$49,299

Attendance

The following people attended the meeting: Karl Cender (Financial Advisor), Susan Gray (Financial Advisor), and Husain Mahmoud (City Controller).

Discussion

The storm water fund is .0503 of the City of Gary's rate.

Questions from Board Members:

Dan: What is the fund balance?

Husain: As of June 30th, we had \$1.649 million, but we have had to take out several temporary loans. We will have a balance of \$650,000 once all of them have been paid back.

Dan: You have a \$650,000 fund balance on a \$1.2 million budget?

Husain: Yes, that is to carry us over for the first six months of the following year.

Recommendation

Lisa motioned to recommend approval of a shortfall excessive levy appeal in the amount of \$49,299. Stan seconded and the motion carried 5-1 with Dan opposing because of fund balances.

Gary Sanitary District, Lake County Excessive Levy Appeal(s)

The unit requested a 2004 shortfall appeal in the amount of \$463,642. The unit qualifies for \$361,793 per statutory formula.

Appeal History:	1999	Annexation	\$2,500,000
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2006 Max Levy	\$8,146,837
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Total Max Levy with Appeal \$8,191,537

Advertised Appeal Amount \$ 463,642

Unit's 2006 Advertised Levy \$9,181,000

Maximum appeal unit can qualify for is \$361,793

Attendance

The following people attended the meeting: Karl Cender (Financial Advisor), Susan Gray (Financial Advisor), and Husain Mahmoud (City Controller).

Discussion

We had a shortfall in 2004 of \$463,642. This includes all funds, including debt service.

Questions from Board Members:

Dave: According to the calculation we have been given, you qualify for \$361,793.

Judy: It is probably a difference in the district rate that we have both used.

Dan: What will be the fund balance at the end of the year?

Answer: We have heavily borrowed funds to support our budget. The cash balance is \$2.612 million and we have outstanding loans in the amount of \$3.3 million as of June 30th. The sanitary district is in more dire circumstances.

Recommendation

Stan motioned to recommend approval of a shortfall excessive levy appeal in the amount of \$463,642, not to exceed amount of advertisement. Lisa seconded and the motion carried 5-1 with Dan opposing because of fund balance.

Michigan City, LaPorte County Excessive Levy Appeal

The unit is requesting the restoration of their maximum levy in the amount of \$500,000 because of the use of their Riverboat funds to reduce the tax levy in 2003.

Attendance

The following people attended the meeting: John Schaefer (Controller).

Discussion

In the preparation of the 2003 budget, the Mayor wanted to give the taxpayers a break and so she authorized the use of \$500,000 from riverboat funds to support the general fund budget. Then SB1 was enacted and our levy was frozen. It is our opinion that the \$500,000 should not have been considered. We were \$976 under our max levy.

Questions from Board Members:

John: You are taking one sentence out of that statute?

Answer: Yes, it says the DLGF cannot reduce the maximum and actual levy because of using riverboat funds.

Dave: Did the DLGF actually reduce your levy because of using gaming money?

Answer: Yes, they did.

Ken: Historically, we have denied SB1 requests, the only option in my mind is if the Commissioner made the determination that this would be a temporary adjustment.
(Discussion about actual versus maximum levy)

Dave: We are trying to determine who actually reduced the levy. Did the state reduce it because of SB1 or did you the city reduce it by making the decision to use gaming money.

Answer: The city used the gaming money to reduce the actual levy, it was never intended to reduce the maximum levy.

Dan: What is your current financial condition?

Answer: The 2005 budget will leave us with less than \$40,000 cash balance against a \$20 million budget. We have moved all of our health insurance claims to the riverboat fund, which scares me because of the talk last year that it would no longer be available.

Dan: Did you increase your levy to capture all the growth you could the last couple of years?

Answer: Yes, we will not be under our max again.

Recommendation

John motioned to recommend denial of the request unless the Commissioner views this as a temporary adjustment; I make this motion to be consistent with our previous motions. Ken seconded and the motion carried 5-1 with Dan opposing the motion because he agrees with the statute allows us to make the adjustment.

**Town of Beverly Shores, Porter County
Excessive Levy Appeal(s)**

The unit requested the following appeals:

Appeal	Amount	Qualifies for:
Three-year growth	\$120,188	\$0
Volunteer Fire expense	\$5,510	\$5,510
Shortfall	\$28,173	\$28,173
2002 \$2,047	2003 \$7,949	2004 \$18,177

2006 Max Levy \$282,450
Total Max Levy with Appeal \$610,623
Advertised Appeal Amount \$153,873
Unit's 2006 Advertised Levy \$442,800

Maximum appeal unit can qualify for is \$33,683

Attendance

The following people attended the meeting: Ellen Firme (Town Council member) and Gail Saum (Clerk Treasurer).

Discussion

We know we do not qualify for the three-year growth because we are under the growth factor. For the volunteer fire appeal, we need to increase our levy in order to have grant match money, which has increased our fire expenses. The shortfall appeal is for the pay 2002, 2003, and 2004 years because of errors in reassessment.

Questions from Board Members:

Ken: Your levy is \$282,000 – what is the town doing not to be able to live within their max levy?
Gail: We have nine new volunteers that needed clothing. We were able to purchase new clothing via a grant, but we have to have match money.

Ken: If we approved all the appeals your levy would double – is your town ok with this?
Gail: There have been three newspaper articles asking for more taxes in order to provide more service. Snow removal is very expensive because of the nature of the roads. There have been no objections.

Recommendation

Stan motioned to recommend approval of a volunteer fire expenses excessive levy appeal in the amount of \$5,510 and a shortfall excessive levy appeal due to refunds and errors in the amount of \$28,173. John seconded and the motion carried 6-0.

**Town of Hamilton, Steuben and DeKalb Counties
Excessive Levy Appeals**

The unit requested the following appeals:

Appeal	Amount	Qualifies for:
Annexation	\$26,900	\$
Three-year growth	\$25,000	\$29,765

Appeal History: None

2006 Max Levy \$455,793
Total Max Levy with Appeal \$507,693
Advertised Appeal Amount \$ 80,000
Unit's 2006 Advertised Levy \$734,382

Maximum appeal unit can qualify for is \$51,900 (\$26,900 + \$25,000)

Attendance

The following people attended the meeting: Karen R. Grieser (Clerk Treasurer), Robert Howard (Town Manager), and Paige Gregory (Financial Advisor with H.J. Umbaugh).

Discussion

Paige: There were two annexations, one on the west side and one on the east (refer to handout for details).

Questions from Board Members:

John: Both areas were assessed for the pay 05 budget year? When the max levy was calculated for 2005, was there any impact to the max levy because of these annexations?

Paige: I think there was an adjustment of about \$50,000 to the max levy.

John: The combined fiscal plans showed a need of about \$80,000?

Paige: Yes.

Stan: Are you going to hire additional police officers and firefighters, etc?

Karen: We would like to, but haven't been able to – our budgets keep being cut to below maximum levy. The annexations have doubled our streets.

John: Were these voluntary annexations?

Karen: No, but there were no remonstrators.

Ken: What county are the annexations in?

Karen: Both of them are in Steuben.

Recommendation

Lisa motioned to recommend approval of an annexation excessive levy appeal in the amount of \$26,900 and a three-year growth excessive levy appeal in the amount of \$25,000. John seconded and the motion carried 6-0.

City of Evansville, Vanderburgh County Excessive Levy Appeal(s)

The unit requested the following appeals:

Appeal	Amount	Qualifies per statutory formula:
Public Transportation	\$503,100	\$457,363 based on 05 AV \$4,573,629,100
Fire Pension Costs	\$281,300	\$281,314
2005 Shortfall	\$3,500,000	\$Undetermined – cannot be addressed yet

Appeal History:	2005	Shortfall 03	\$ 555,598
		Shortfall 04	\$2,543,303

2006 Max Levy	\$47,677,395
Total Max Levy with Appeal	\$51,961,795
Advertised Appeal Amount	\$12,000,000
Unit's 2006 Advertised Levy	\$82,550,000

Maximum appeal unit can qualify for is \$738,677

Attendance

The following people attended the meeting: Paige Gregory (Financial Advisor with H.J. Umbaugh), Lisa Acobert (Controller), Ken Zuber (Fire Department), and Kent Cutchin (Director METS Transit).

Discussion

Paige: The 2005 shortfall request will go directly to the Commissioner. The fire pension appeal is because of an increase of 16% in payments and the statute allows anything over ten percent.

Questions from Board Members:

Stan: Have you made plans to hire in order to replace the fifteen retirees?

Paige: For 2006 –next year. For 2007, there is seventeen known retirees. The DROP program allows us to plan better.

Stan: Almost forty percent of your people could retire?

Lisa: Yes, that's correct.

Stan: How many are in the 77 fund and how many in the 37 plan?

Lisa: The majority are in the 37 plan because of longevity – the battalion chief, etc. I will be losing a lot of experience.

Stan: In the upcoming cost calculation why did you use 22%?

Paige: Part is the employees' contribution of 6%, the rest is the City's contribution.

Lisa: The City's contribution is contractual obligation.

Ken: I assume that there is some way that the DROP and the pension appeal does not overlap?

Paige: The DROP program is separate from the appeal.

Dave: What about the public transportation appeal?

Paige: We are asking for the maximum allowable rate. Based on the estimate of \$50,310,000 for 2006, the appeal would be \$503,100. Since we do not have actual figures yet, we have had to estimate. In 2004, expenses increased \$417,000 and by another \$38,000 in 2005 and we are projecting another increase of \$404,000 in 2006. Revenues have decreased by \$2.7 million, for a net loss of \$1.3 million. The transportation department is within the general fund at about 8 ½ - 9% historically. The net cash flow deficit of \$2 million is outstanding; we are projecting a \$3 million deficit by the end of 2006.

Ken: On page five of your appeal – does that include property taxes?

Paige: No, we received \$2.6 - \$3 million in taxes during that time.

Stan: Are operating grants still available?

Paige: Yes, they are – we are still receiving some, but funding has dropped 32% in the last three years.

Ken: what kind of property tax funding is available?

Paige: About \$3.3 million based on the ratio in the general fund.

Ken: Is this the first time for this appeal?

Paige: Yes.

Lisa D: Do any of these appeals require council approval?

Lisa A: Yes, in order to come here today, they had to approve it.

Dan: Were there any objectors?

Lisa A: No.

Dan: What are the other units in Vanderburgh County doing to overcome budget problems?

Lisa: My understanding is that the county will be going to their maximum levy; other than that, I have no idea.

Dan: What is the 2006 projected cash balance?

Lisa: Less than \$2 million. We request a five percent balance in the general fund, which we do not have. It is a fine line between over-taxing the community and our credit rating. This year,

there is a provision in place for a loan from the sewer funds in case we continue to not receive all of our taxes.

Dan: Do you have a rainy day fund?

Lisa: Yes, with just a little over \$500,000 in it.

Dan: Do you have plans for the rainy day fund?

Lisa: No, other than to save it. We would like to maintain some balance.

Recommendation

Ken motioned to recommend approval of a fire pension expenses excessive levy appeal in the amount of \$281,300 and a public transportation excessive levy appeal in the amount not to exceed one cent per hundred of 2006 assessed value, but not to exceed \$503,100. Lisa seconded and the motion carried 5-1 with Stan opposing.

Jackson County Unit, Jackson County Public Works Project Loan

The unit is requesting approval to obtain a loan in the amount of \$1,638,939 for the purpose of repairing and/or replacing bridges. The estimated tax rate is .0780 based on an assessed value of \$1,829,895,660 and an annual levy of \$1,426,814. NOTE: The tax rate will probably be less since the unit is estimated a 06 assessed value that is eight percent less than the current 05 assessed value. Total project cost is \$3,664,865 with maximum debt payments estimated to be \$1,675,814. The Common Construction Wage is not applicable since 11 of the 14 projects will be constructed by County employees, two of the projects will follow federal requirements, and one of the projects does not include construction.

Taxpayer Objections:

An approving resolution was adopted September 17th 2005.

Attendance

The following people attended the meeting: Ed Koerner (Council President), Gary Darlage (Commissioner President), Debra Eggeman (Auditor), Jason Fee (County Engineer), Richard A. Brackemyre (Council Vice-President), and Rodney E. Farrow (County Attorney).

Discussion

Included in our submittal are fourteen projects. Jackson County has over 190 bridges to maintain. 13 of the 14 are bridge repair or replacement projects, one is a road re-alignment project. Out of the 190 bridges, forty of them are structurally deficient and a few have already been closed because of the condition it is in. We have a few large river bridges, what we call tributary bridges. It is a constant struggle for us as a county that has few people and few dollars.

Questions from Board Members:

Lisa: Has there been any significant objections?

Rodney: Only to the closing of the bridges. We have received good public support during our meetings and there have been numerous newspaper articles on the condition of our bridges.

Ken: Why do you need to borrow the funds – are you at your maximum levy?

Rodney: Yes; we need a regular revenue stream because the levy is just not sufficient to keep the bridges repaired.

Ken: Do you have a cumulative bridge fund?

Rodney: Yes, but it is not enough. We are looking into letting thirty employees go.

Dave: Are any of the bridges included in this proposal closed?

Rodney: There are two – one of the river bridges, Kavanaugh is closed, and Medora, a covered bridge, is closed also.

Dave: How many others are close to be closed?

Rodney: At least one, and several of them have posted weight limits.

Dan: Can you do all these projects in one year's time? Your time table seems to be pretty aggressive.

Rodney: It is a very aggressive plan to get the bridges back in usable conditions. We will probably need to hire more bridge crews, but we do plan on completing these projects next year.

Stan: Are all the local funds listed here on hand?

Rodney: No, not all – some will come from our MVH fund for next year, some from the cumulative fund, plus some federal aid funds.

John: You are proposing to retire the debt in one year – why go with a one-year term?

Rodney: Because we are anticipating coming back next year and the year after that to fund more projects. We are trying to pay as we go. We are a very conservative county, always under the maximum levy and that has come back to bite us.

Dave: Are you going to manage the projects yourself?

Rodney: Yes, through the highway department.

Dave: You have included a 4% construction manager fee.

Rodney: That is required for the federal aid projects – they require a full-time inspector administered by INDOT.

Dave: The architectural fees are twelve percent – do you feel that it is in line with standards?

Rodney: We feel it is because it includes engineering fees. Engineering has to be done before construction can start. Some of these bridges are almost entirely engineering costs.

Dave: When do you plan to start?

Rodney: As soon as we can get the money.

Dan: Does the amount fit into the levy advertised for 2006?

Rodney: No, it does not.

Dan: How are you going to get the levy if you did not advertise for it?

Rodney: There are ways that the DLGF would allow us to re-advertise, or we could pay in arrears. We will be on a rate paid back next year.

Dan: Is the \$1million advertised appeal for this loan?

Rodney: No, it was originally to bail out the general fund.

Dan: If this board approves the loan, Jackson County will not have a debt service tax rate until 2006 pay 2007 and revenues will not be available until June and December 2007. The County will need to adjust the terms (payment dates) of the loan accordingly.

Recommendation

Stan motioned to recommend approval of a public works project loan not to exceed \$1,999,999. Lisa seconded and the motion carried 6-0.
